

## **FISCAL NOTE**

### **SB 1479 - HB 1940**

March 8, 2007

**SUMMARY OF BILL:** Enacts the "Tennessee Scenic Lake Resort District Act of 2007." Authorizes any county bordering on, or containing, Dale Hollow Lake or Cordell Hull Lake to elect to become a Tennessee Scenic Lake Resort District (TSLRD). Authorizes any municipality within such counties and located within three (3) miles of the nearest banks of such lakes to elect to become a TSLRD.

#### **ESTIMATED FISCAL IMPACT:**

**Decrease State Revenues - \$425,000 – FY07-08**  
**\$850,000 – FY08-09**

**Increase Local Govt. Revenues –**  
**\$212,500 – FY07-08 / General Purposes**  
**\$212,500 – FY07-08 / Earmarked for tourism**  
**\$425,000 – FY08-09 / General Purposes**  
**\$425,000 – FY08-09 / Earmarked for tourism**

#### **Assumptions:**

- Any county or municipality electing to become a TSLRD will receive an appropriation equal to 4.5925% of actual state sales tax revenue collected within their respective jurisdictions. This special allocation would be received in lieu of the normal allocation to such counties or municipalities which is based on population.
- According to the Department of Revenue (DOR), five counties would be eligible for and would benefit by electing TSLRD status: Clay, Jackson, Overton, Pickett, and Smith. As a result of additional appropriations, all five counties elect TSLRD status.
- According to DOR, no municipalities would benefit by electing TSLRD status. Therefore, no municipalities elect TSLRD status.
- Clay County would benefit an additional \$100,000; Jackson County would benefit an additional \$75,000; Overton County would benefit an additional \$300,000; Pickett County would benefit an additional \$75,000; and Smith County would benefit an additional \$300,000.

- The decrease to state revenues is estimated to be \$850,000 per year (all five counties cumulative).
- First-year impact is 50% of full-year impact due to the proposed effective date.
- 50% of additional appropriations to local governments shall be earmarked exclusively for the promotion and support of tourism within their respective jurisdictions.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director